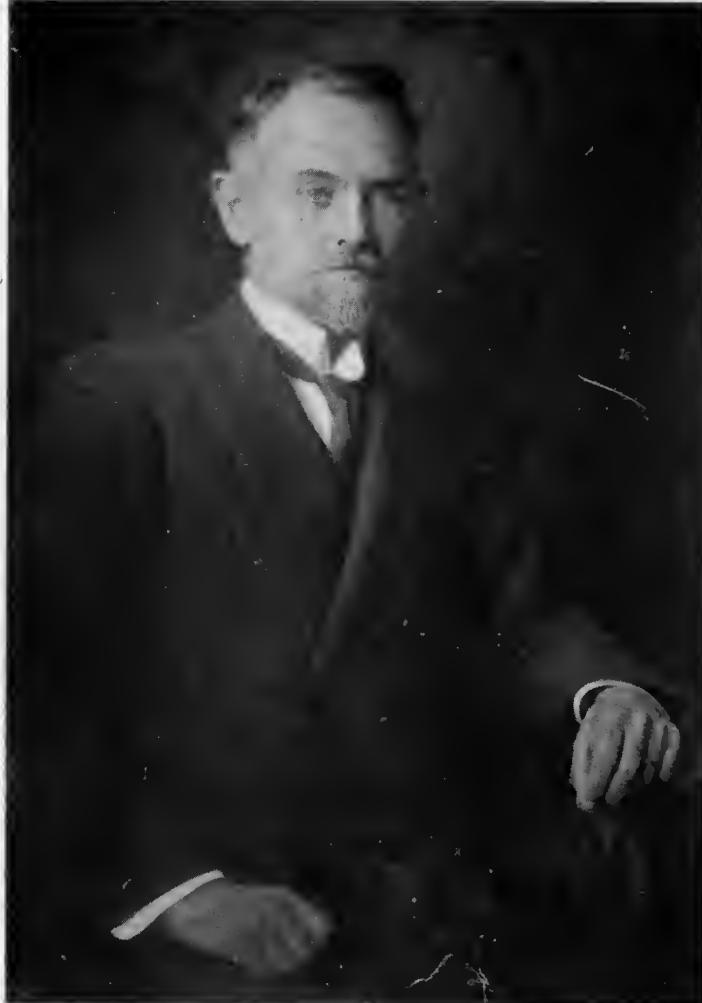


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# LEONID KRASSIN:

HIS LIFE AND WORK



LEONID BORISOVITCH KRASSIN.

*Frontispiece*



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all his life with a deep, although unassuming passion, a passion that expressed itself in deeds, not in words. He did not expect, nor did he seek any reward for his work for his country, and he died a poor man. The only heritage he left to his family was the spotless name of a great citizen and a passionate patriot, and I am content with this inheritance.

LUBOV KRASSIN.

London, 1929.

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proletariat during the years of war, and who had found themselves masters of the situation in 1917, now saw a better prospect of peace and plenty by tilling their own land and letting politics go hang. This dispersal to the villages, together with the virtual stagnation of industrial life, was equivalent to a shrinkage in the "proletariat"—never very numerous as a class in Russia—which seemed to dispose of Lenin's often-expressed conviction that the reconstruction period would see a shift in the centre of gravity of the national economy to the workers of the towns. Then the economic depression continued throughout 1920 and the early months of 1921, those in the towns being on the verge of starvation owing to the obstinate refusal of the peasants to sow more than they needed for their own support. It was said at the time that the Government had to send Red troops with artillery to some of the villages to intimidate the peasants into yielding up their grain. There were, too, a succession of bad harvests which meant nothing less than famine in certain parts of the country. This brought matters to a head; the issue was joined once and for all between Communist theory and practical necessity.

It must have been a bitter pill for Lenin to have to declare that the organisation of the resources of the State on a basis of rationing was "premature," since he and the majority of the Communist leaders sincerely believed that Russia stood on the threshold of Communism. In the spring of 1921 the Supreme Economic Council decided to permit private persons to engage in retail trade, and the Government released its hold on a large number of small industrial undertakings, which, however, affected only about six per cent. of the employed workers. This was the first instalment of the New Economic Policy which was designed primarily to allay the discontent of the peasants and thus to stimulate production. It was followed by the authorisation



M. KRASSIN AT HIS DESK IN LONDON.

of a certain number of mixed State and capitalist enterprises.

The change seemed a natural enough development to Krassin, who was watching events from London. He himself had always looked upon the period of military Communism as simply a phase of transition in the emancipation of Russia from the chains of feudalism and a backward capitalistic structure. This was what made him, as it were, a stranger among his own people. He did not attach himself to any one of the factions which were forming within the Communist Party, but simply relied on the political authority of Lenin, while the latter continued to have implicit faith in Krassin's practical sagacity.

The two men worked together in sympathy, notwithstanding the fact that my husband's initiative was directed solely to Russian interests in contrast to the broad "international" question which was the main preoccupation of Lenin. In this sense Krassin was a Nationalist, though his firm stand on the principle of the Government monopoly of foreign trade had nothing to do with either "Nationalist" or Communist doctrines, but was adopted and maintained for purely practical reasons. L.B. told me many a time that foreign "big business" representatives who repudiated the State monopoly in theory admitted in private that it was the only way to maintain the economic integrity of the country.

The Bolshevik revolution had made of Russia a sort of grim *tabula rasa*. That is an undeniable fact, although the reason for it may never be satisfactorily explained. *Quot homines tot sententiores*. Quite a plausible explanation, however, of the violence of the upheaval is the abysmal ignorance of the nation as a whole, three-quarters of which were illiterate, and the fact also that the leaders of the revolution themselves had had no real political education—that before the events of

November 1917 not one of them was renowned as a great writer, or prominent economist, scientist, or anything else in the intellectual sphere.

Krassin, however, as we have just seen, was one of the few who understood that the fundamental reason was the deplorable economic condition of Russia, the poverty of the peasants, the carelessness and the irresponsibility of the ruling circles.

The revolution had destroyed utterly an economic system which had been long in a parlous condition. Therefore he thought that the sovereign remedy must be to initiate the process of redemption and repair also from the economic side. The moral stimulus of economic reconstruction is clearly characterised in the following words on the post-war European situation, written by my husband himself :

"The war brought complete disintegration to the financial world of Europe, and the period after the war witnessed conditions probably even more unhealthy than those prevailing during the war years. Every industrialist was for a time perfectly sure of receiving sufficient orders, and became accustomed to profits undreamt of in pre-war times. The chaos of the post-war period, with its protracted political and economic crisis, with the exchange at sixes and sevens in almost all European countries, and with its unrestricted speculation, was responsible for conditions in which those who had capital to spend lost all interest, as it were, in regular and sound business concerns, the kind of investment which produced comparatively small and slow profits. There was no sense any more in investing capital in coalmines or agricultural undertakings, when a few days of speculation on the Stock Exchange could bring such

enormous profits. In that wild period bankers developed a peculiar dislike for normal commercial and industrial business, and the financing of healthy, creative undertakings meets even to-day with considerable difficulties. *It is absolutely necessary to initiate the transition period, which means dogged and difficult work not necessarily resulting in immediate enormous profits. Salvation lies only in this. Work on the land, in mines, forests and factories, this alone can create the foundation for an economic reconstruction of ravaged Europe.*"

In Russia there was not merely this general post-war demoralisation, but also post-war and post-revolution misery, well-nigh indescribable and hardly credible. But, as in Europe, the only remedy for the evil, the only way out from this dreadful desperate situation was—WORK. And that was why Krassin had agreed in the first place to co-operate with the Bolsheviks. Being thoroughly aware of what the Bolshevik revolution had done to Russia, and particularly to her economic life, he entered the Government with a comprehensive and purely businesslike economic programme, carefully thought out, not only in its various aspects and its main lines, but also in many minute particulars.

The following is his own account of the position in Russia at the time he took up his work as member of the Government :

"Economic disorganisation and ruin as an outcome of the war, a famine in all ordinary commodities as a result of the destruction of all the vital forces of the country at the front or on war work, the industrial equipment worn out, the reserves of goods and products exhausted, inflation of money, collapse of the exchange—such are the

conditions under which the Soviet Republics had to resume their economic and commercial relations with Western Europe. A pound sterling or a dollar will fetch hundreds of thousands of Soviet roubles. A pair of shoes, linen, cutlery, etc., are worth their weight in gold, and it is impossible to say whether the need is the greater in the towns or in the country."

Krassin might have reminded the "comrades" who were his audience on that occasion that bread was scarce and rationed, that a simple steel needle was a precious rarity, that there were at a certain moment no pens, pencils, or paper in the country, and that the teachers in the schools, in order to carry on their job, traced letters or figures for the schoolboys or girls with sticks on the ground or, in winter, in the snow.

The task that Krassin assumed under those circumstances was a Herculean one and such as is hardly likely to have fallen ever before to any public man. However, with his customary energy, and in his usual unassuming way, he set out to tackle it. His programme and his activities from the beginning to the end were defined, limited, and conditioned by these two facts: first of all the plain fact that a country like Russia, moving within the orbit of modern European civilisation, could not, at the present stage of development, do without capital; but, on the other hand, there was against this the equally plain fact that Russia's capital had been totally suppressed and nearly destroyed altogether by a new Government with very special views on world economics. Therefore the task to be performed was twofold and contradictory: it consisted in restoring Russian capital within such limits and under such conditions as might be possible and feasible under a Government which, according to its own utterances, had no other

*raison d'être* than that of being resolutely anti-capitalistic. It is necessary to insist on these two points, as in many quarters Krassin's ideas failed to win understanding and were even deliberately misunderstood. He knew that the Soviet Government would never admit a restoration of capital on its pre-war scale and in its original form, even were that possible. He also knew, on the other hand, that there were in Russia plenty of people who would exploit any attempt at restoring capital for their own individual ends instead of to the benefit of the country. But capital *had* to be restored. *That*, or the industrial and economic enslavement of Russia by some powerful European State; *that*, or Russia's economic death from commercial and industrial decay.

In Krassin's mind the future industrial and commercial development of Russia depended on two factors: (1) restoration of freedom of commercial activities, and (2) the creation of an economic system which provided the necessary conditions for the industrial revival of the country. Accordingly, Krassin was one of those, and probably the most influential among them, who promoted the so-called N.E.P.

Needless to say, Lenin was openly reproached by his colleagues for this turn of the wheel. They called it at the outset Krassin's "pet baby." Feeling became pretty strong, so that we find Krassin at the final meeting of the Central Committee of the Party stating the situation very bluntly: "All the evils and hardships we are suffering now are due to the fact that the Communist Party consists of ten per cent. of convinced idealists, ready to die for the cause, but incapable of living for it, and ninety per cent. of unscrupulous time-servers who have simply joined the Party so as to get jobs. It is useless and hopeless," he continued, "to try and persuade the ten per cent. fanatics of the necessity for this N.E.P., so I will appeal to the other ninety